Sl. No.	New buildings constructed during last three years	Sl. No.	Buildings proposed to be constructed during 2002-03
10	Dhansiripar		
11	Piphema		
	Manipur		
1	Senapati	1	Saikul
2	Bishenpur	2	Kangpokpi
3	Jiribam	3	Hoarangsable
4	Churachandpur	4	Khumbong
5	Kakching		
	Arunachal Pradesh		
1	Daporizo	1	Deomali
2	Bhalukpong	2	Itanagar
3	Kharsang	3	Khonsa
4	Doimukh	4	Likabali
5	Chowkham	5	Seppa
6	Mahadevpur	6	Tezo
7	Kanubari	7	Yingkiong
8	Miao		
9	Basar		
10	Diyun		
11	Tawang		
12	Bulung		
13	Roing		
14	Along		
15	Bomdila		
16	Sunpura		

Indigenous electronic industry

937. SHRI SURENDRA LATH: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government have a proposal to strengthen the indigenous electronic industry in the country; and

(b) if so, the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SU. THIRUNAVUKKARASAR): (a) and (b) The Government is continuously working to strengthen the indigenous electronic industry in the country. Steps taken in this regard are given in the Statement.

Statement

Steps taken by the Government to promote the Hardware Sector

1. Export Promotion Capital Goods scheme (EPCG) has been rationalised and extended uniformly to all sectors without any threshold limit on payment of 5% duty.

2. Approvals for all foreign direct investment proposals relating to the Information Technology sector, with the exception of Business-to-Consumer (B2C) e-commerce are under the automatic route.

3. Electronics Hardware Technology Park (EHTP) is implemented under the aegis of the Department of Information Techology Ministry of Communications and Information Technology, through a single window mechanism of the Inter-Ministerial Standing Committee (IMSC).

4. Supplies of Information Technology Agreement (ITA-1) items in the Domestic Tariff Area (DTA) by EHTP/EOU/EPZ units shall be counted towards fulfilment of minimum Net Foreign Exchange earning as a Percentage of exports (NFEP) and the minimum Export Performance (EP), provided that the items are manufactured in the unit and attract zero rate of basic customs duty. Positive NFEP is required to be achieved in 5 years instead of every year.

5. DTA access upto 50% of the FOB value of export is permitted for electronics hardware units under EOU/EPZ/EHTP schemes.

6. Accelerated depreciation norms extended to computers and computer peripherals to all units and capital goods of IT hardware units under Export Oriented schemes (EOU/EPZ/ STP/EHTP). These shall stand depreciated to overall limit of 90% over a period of 3 years.

7. Special Economic Zones are being set up to enable hassle free manufacturing and trading for export purposes.

8. The Depreciation on Computers is allowed @ 60%.

9. In the Budget 2002-03 the peak rate of customs duty has been reduced from 35% to 30%. Customs duty has been reduced on stepper motors for computers/printers from 5% to 0% floppy diskette and unrecorded magnetic tape from 15% to 10% ink cartridges/ribon assembly/ribbon gear assembly/ ribbon gear carriage for use in printers for computers from 25% to 5%, 56 items of capital goods for manufacture of semiconductors from 5% to 0%, 24 items of capital goods (around 200 sub-items) for manufacture of electronic components from 25-35% to 15% tools/moulds/dies for electronics industry from 25% to 15% and on 46 items of raw materials for manufacture of electronic components from 25-35% to 5%.

    - Customs duty on Computers and Peripherals continues to be @ 5% and all storage devices, integrated circuits, microprocessors,data display tubes and deflection components of colour monitors continue at 0%. The consessional rate of customs duty @ 5% for specified raw materials for the electronics industry (121 items) continues.Customs duty on Information Technology Agreement (ITA-1) items of WTO (IT and Telecom products) continues @ 15%, parts of Telecom continue @ 5%, parts, components and accessories of mobile handsets including cellular telephone continue at 0%.

10. The Central Exicise duty structure was rationalised from multiple rates to single rate of 16% and signle rate of Special Excise Duty (SED) @ 16%, in the Budget 2001-02, and continues.

11. Second hand capital goods upto 10 years are freely importable.

12. EOU/EPZ/EHTP units are eligible for Income Tax benefit on export profits, upto 2010, in terms of Sections 10A and 10B of the Income Tax Act,

13. Exemption of withholding tax on interest on External Commercial Borrowings (ECBs) is available to the IT sector.

14. DEPB rate will be same for a product whether exported as CBU or in CKD/SKD condition.

15. Threshold limit for obtaining "Export House" status reduced to Rs. 5 corers from Rs.15 crores for Small Scale Industry tiny sector, cottage sector, units located in North East States Sikkim/J&K; exporters exporting to countries in Latin America/ CIS/Sub Sahara Africa and units having ISO 9000 (Series) status.The status holders are eligible for the following new/ special facilities.

    - 100% retention of foreign exchange in Exchange Earners' Foreign Currency (EEFC) account;

    - Enhancement in normal repatriation period from 180 days to 360 days.

16. Tax holiday under provisions of Section 80-IA (Infrastructure Status) has been extended to internet Service Providers (ISPs) and Broadband Network providers.

17. With a view to give a boost to the manufacturing sector it is proposed in the Budget announcement 2002-03 to allow a deduction of a further sum of 15% of the actual cost of such machinery or plant acquired and installed after 31.3.2002 in case of new Industrial undertaking or substantial expansion by an existing industrial undertaking. The proposed amendment will take effect from 1.4.2003 and will, accordingly, apply in relation to the assessment year 2003-04 and subsequent years.

18. To encourage re-location of industries to India, plant and machineries would be permitted to be imported without a licence, where the depreciated value of such relocating plants exceeds Rs. 50 crores.

19. To induce more investment for R&D activities, a weighted deduction of 125% on the sums paid to any university, college or an institution or a scientific research association for the purposes of scientific social or statistical research is available.

20. For reduction of transaction time for export/import clearances, Ministry of Civil Aviation has finalised the scheme of 'Known Shippers' for doing away with the 24 hours cooling off period.

21. Two shifts have been introduced on week days and single shift on hoildays at the Air Cargo Complexes at Mumbai, Kolkata, Chennai, Bangalore, Hyderabad, Delhi and Goa.

22. Information Technology Act, 2000 dealing with Cyber Security, cyber crime and other information security related legal aspects is in place to encourage expansion of e-commerce through internet.

Vidya Vahini Project

938. SHRIMATI AMBIKA SONI:
DR. T. SUBBARAMI REDDY:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Department of Information Technology has taken the VIP route to ensure free fund-flow for its ambitious Rs. 6,000 crore Vidya Vahini Project that aims to take computer education to 60,000 schools across the country in a matter of three years;

(b) if so, the districts where this pilot project is being introduced, State-wise; and

(c) what is the latest position in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SU. THIRUNAVUKKARASAR):